

M/s SGS PACKAGING PRIVATE LIMITED

Authority for Advance Ruling — Rajasthan

RAJ/AAR/2025-26/16

Dated 17.12.2025

Q Questions Before the Authority

- Whether Paper Bags manufactured and supplied by the Applicant, classifiable under Heading 4819 of the Customs Tariff Act, 1975, are covered under Entry No. 319 of Schedule I to Notification No. 09/2025-Central Tax (Rate), attracting GST @ 5%
- Whether Paper Bags manufactured and supplied by the Applicant, classifiable under Heading 4819 of the Customs Tariff Act, 1975, are covered under Entry No. 185 of Schedule II to the said Notification, attracting GST @ 18%

F Facts

The applicant is engaged in the manufacture and supply of paper bags for packaging purposes. They sought an advance ruling to determine the correct GST classification and applicable tax rate for their products, specifically whether they fall under the 5% rate slab or the 18% rate slab.

H Ruling

Coverage under Entry No. 319 of Schedule I (5% GST)	No	The product does not qualify as a biodegradable bag under this entry.
Coverage under Entry No. 185 of Schedule II (18% GST)	Yes	The product falls under the residual category of Heading 4819.

The authority ruled that the applicant's paper bags are not covered under Entry No. 319 of Schedule I. Instead, they are appropriately classifiable under Entry No. 185 of Schedule II of Notification No. 09/2025-Central Tax (Rate), attracting GST at the rate of 18%.

R Reasoning

The authority reasoned that Entry No. 319 of Schedule I is restricted to biodegradable bags, and the applicant failed to provide evidence that their products meet this specific criteria. Since the paper bags are not corrugated or non-corrugated cartons or boxes, they do not fall under the specific entries for those items. Consequently, the products fall under the **residual category** of Heading 4819, which is covered by Entry No. 185 of Schedule II. The ruling relied on the interpretation of Notification No. 09/2025-Central Tax (Rate) and the Customs Tariff Act, 1975.

P Provisions Relied On

Section 97(2) of the CGST/SGST Act, 2017

Notification No. 09/2025-Central Tax (Rate)

Heading 4819 of the Customs Tariff Act, 1975

! For the Practitioner

This ruling clarifies that standard paper bags, absent proof of being biodegradable, are subject to **18% GST** under the residual entry for Heading 4819. It serves as a warning that taxpayers cannot claim the lower 5% rate for biodegradable goods without substantiating the specific nature of their products. It does not provide relief for manufacturers of non-biodegradable paper packaging.

Source

Summary prepared from the published order, which is a scanned document. It is a reading aid and not the authority: where the two differ, the order governs. Verify every provision against the original before relying on it.

Original order: www.gstcouncil.gov.in -> 2-order_sgs_packaging.pdf

Prepared 12-10-2026.

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